

Unemployment Insurance Benefits *Through the Years*

The Social Security Act of 1935 created the federal-state Unemployment Insurance (UI) system and is still in place to this day. Utah, however, was one of seven states to legislate state UI laws prior to federal enactment. The goals of the program are: (1) stabilize the economy, and (2) alleviate personal hardship that stems from involuntary job loss. With the exception of three states (AK, NJ, and PA), the UI program is funded entirely by employer payroll taxes. Every dollar paid in unemployment benefits is estimated to generate \$1.60 in economic activity.

In September 2011, Utah's average weekly benefit amount was \$308 for an average duration of 14.9 weeks. The national third quarter numbers show an average weekly benefit amount of \$291 with an average duration of 17.6 weeks. Compare this to the third quarter of 2002, when Utah's average weekly benefit amount equaled \$275 for an average

duration of 13.4 weeks and the nation had an average weekly benefit amount of \$257 for an average duration of 16.1 weeks.

Utah has worked to modernize its UI program and provide easier access for claimants and employers. In the last five years, we have seen the percent of claimants filing

initial claims online increase from 25 percent to 66 percent. The percent of employers filing quarterly tax reports online has increased from 28 percent to 77 percent.

Utah has been fortunate to stay below national unemployment levels,



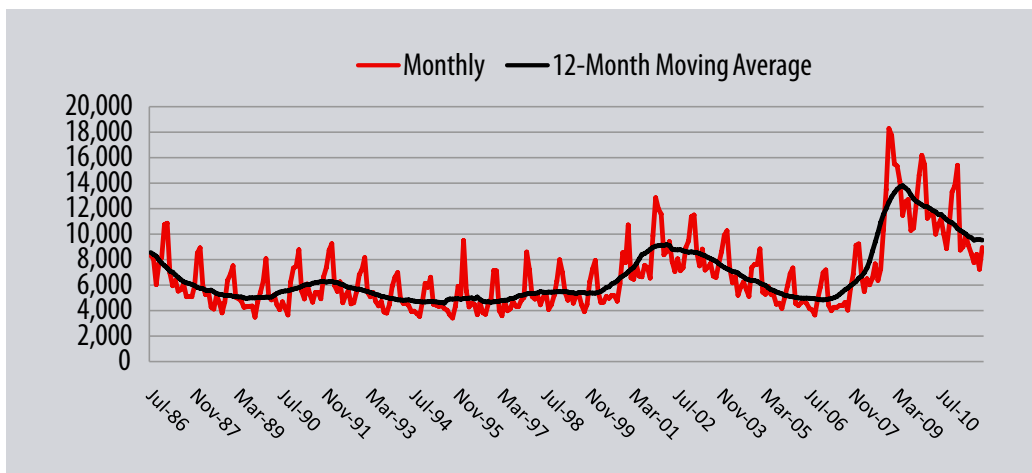
The numbers of those filing online increased 41 percent in the last five years.

though we have certainly seen an impact from the most recent recession. Our initial claims filing reached its highest level in over 25 years in December 2008, with 18,000-plus claims. This peak occurred five months after the federal government authorized payments from the Emergency Unemployment Compensation (EUC08) program. The

12-month moving average peaked in November 2009 at just below 14,000, which is the same time that additional tiers became available on EUC08. Since then, we have maintained a fairly steady decline in the number of claims filed, though our weekly numbers have just started to pick up as a result of lay-offs in the seasonal workforce. ⓘ

You can follow this progression every week on our blog at <http://economyutah.blogspot.com/>.

UI Claims Filed



Source: Utah Department of Workforce Services